

“QUOTABLE

“My dream to finish the rest of the writing has been shattered by the decreased sales volume since Taobao began publishing them online and offering them as nearly free downloads.”

XIONG SHUPING, a retired professor who wrote a series of books and planned to live off his book earnings. He faces obstacles in having unlicensed copies of his books removed from online retailer Taobao.com. The entire series of books sells for 384 yuan (\$60), while the electronic editions were being sold for just 1 or 2 yuan by more than 200 Taobao shops.

THE NUMBER

13

MILLION TOURISTS

Shao Qiwei, president of the Beijing-based Association for Tourism Exchange Across the Taiwan Straits, met Wu Po-hsiung, honorary chairman of the Kuomintang Party on Monday. Shao told the chairman that in 2016, the number of tourists traveling across the Taiwan Straits will hit 13 million.

ON THE WEB

Highlights from chinadaily.com.cn

Video: Magician Danny Hall can't make the lines disappear but can help entertain the thousands of commuters using public transport to shuttle between Olympic venues in London.

Hot words: The many ways in English to describe a resounding success. For example, China's badminton team performed a clean sweep at the Olympics, claiming all of the gold medals.

Pictures: Horse couriers, who for centuries have been transporting goods through the dense mountain forests of the Guangxi Zhuang autonomous region, are slowly disappearing, as more people now opt to rely on cars and motorcycles.

Culture: People of the Yi ethnic group have a tradition of wearing colorful headgear, much of which is inspired by their original totems, or plant and animal. Yi people are mainly found in the Guangxi Zhuang autonomous region as well as Yunnan, Sichuan and Guizhou provinces.

On China Forum

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Discussion: What bothers you most about China?

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New cut for rare earths

Strict targets set for mines and smelting operations

By DU JUAN in Beijing and WANG ZHUOQIONG in Baotou, Inner Mongolia

China will shut down about one-fifth of its rare earths production capacity under new industry rules, but analysts fear that their strict implementation could see production further eroded.

Mixed-type rare earths mines, mostly located in North China, will have to have a minimum annual production capacity of 20,000 metric tons a year and smelting companies will have to ensure an annual output of at least 2,000 tons, according to a statement by the Ministry of Industry and Information Technology on Monday.

Up to one-third of the 23 mines and about half of the 99 smelting companies will fail to meet the new rules, said Jia Yinsong, director of the

ministry's rare earths office.

He estimated that about 20 percent of the country's rare earths capacity will be eliminated. However, analysts are concerned about how the new rules will be implemented.

“More than 50 percent to 70 percent of companies will fail to meet the environmental requirements if the policies are to be carried out strictly,” Wang Siyu, an analyst at umetal.com, an industrial information platform, said.

“To cap the output is more effective than eliminating the capacity for the development of the industry.”

But Wang stressed that the rules will not affect China's exports.

“Most companies that won export quotas have met the requirements,” he said.

Rare earths, a group of 17 elements, are essential in the manufacture of an array of

high-tech products, including wind turbines and hybrid cars. A downturn in the wind power and electric car industries has weakened demand.

China is involved in trade disputes concerning the exports of rare earths.

The World Trade Organization formed a special group in July to investigate the issue after the European Union, the United States and Japan complained over what they claimed were stringent Chinese export controls.

China, which has 23 percent of the world's reserves of rare earths, accounts for more than 90 percent of the world's supply.

Smuggling and weak demand have led to a decrease in the amount of rare earths exported from China.

In the first half of the year, the amount of rare earths legally exported from China decreased by 42.7 percent year-on-year, falling to 4,908 tons.

If that trend continues, fewer than 10,000 tons of rare

earths will be legally exported from China this year, far less than the 31,130 tons that can be exported under a quota set by the Ministry of Commerce.

Since 2007, China has strengthened both its rules governing the production of rare earths and its export regulations and has set export quotas every year.

Jia said the government will take measures to shut down unqualified companies and will offer compensation if necessary.

The Ministry of Industry and Information Technology said the new rules will protect the environment and promote industrial restructuring.

A leading miner said the rules were necessary.

“China needs to cultivate large-scale and competitive companies to follow a regulated path and curb illegal extraction,” said He Jilin, chairman of CNMC (Ningxia) Orient Group Co Ltd, a subsidiary of China Nonferrous Metal Mining (Group)

Co Ltd.

He said that the new rules will help crack down on smuggling. In 2011, rare earth imports recorded by other countries were 1.2 times more than the official data from China.

Some industrial insiders and analysts worry about the effectiveness of the new rules.

“The government is making efforts to help the industry develop in a healthy way. The move will influence the prices to some extent, but not much,” said Gong Bin, chairman of the Ganzhou Qiangdong Rare Earth Group Co Ltd.

China cut mining rights for rare earths as average prices fell by more than half from 2011's record levels. The price of neodymium oxide, which is used for magnets, was \$360,000 a ton a year ago while its current price is \$100,000 a ton.

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Services for migrants' help development'

By SHAN JUAN shanjuan@chinadaily.com.cn

Six out of 10 Chinese people will live in cities by 2020 as the exodus from rural areas continues to boost the migrant population, a report said.

China reached a landmark moment last year when 51.27 percent of the population was classified as urban dwellers.

At the end of 2011 there were about 230 million people classified as migrants, accounting for about 17 percent of the population, and 80 percent of these came from rural areas, the National Population and Family Planning Commission said in its third annual report.

Migrants are defined as people who live away from their registered place of hukou, or residence permit.

“Providing services for the colossal migrant population is related to economic development and social stability,” Wang Qian, who heads the commission's migrant services and management department, told China Daily on Tuesday.

Over the past three decades the migrant population increased annually by about 10 million.

Migrants stay at a work location for five years on average, making a major contribution to the economy, the report said.

However, they miss out on social services like insurance and welfare programs, which are linked to the hukou. Yuan Xin, a professor at Nankai University's population and development institute in Tianjin, said.

Welfare priorities are work-related benefits and their children's education, Wang said.

According to the report, less than 30 percent of migrants are covered by local insurance.

Only 51.3 percent of migrants hold fixed-term contracts and they work an average of 54.6 hours a week, far above the 40-hour legal limit.

The average monthly pay for migrant workers under 35 was 2,513 yuan (\$400) in 2011, which hardly covered housing and healthcare expenses.

The figure, however, represented a 29.4 percent increase from 2009.

The monthly pay is obviously better for migrants with a degree, averaging 4,608 yuan, it said.

Zhao Min, a sales manager who earns nearly 10,000 yuan a month in Beijing, has just applied for a master's degree program at the Central University of Finance and Economics in Beijing.

“Once I get the degree I might get a job offer that can give me a Beijing hukou and then my son could land it too,” she said.

“Without the hukou my 1-year-old son will hardly secure a place at a good kindergarten, elementary or middle school,” Zhao said.

The commission's Wang said the government recognizes the problem.

Many counties and small cities have already loosened hukou regulations allowing migrants the same social services as residents.

Reform of the system is under discussion in large cities such as Beijing and Shanghai.

“It's a priority to offer all the social services to migrants regardless of hukou,” Wang said.

around china

BEIJING Measures to alleviate poverty

The Ministry of Land and Resources released 18 measures to help alleviate poverty in China's major poverty-stricken areas on Tuesday.

According to the statement, the measures include encouraging reasonable use of unexploited land in major poverty-stricken areas, increasing the mineral resources exploration and development, and giving preferential policies to encourage the building of industrial zones for mineral resources production.

Besides boosting local economic development, it also emphasizes establishing a geological disaster forecast and relief system. Most of the poverty-stricken areas are concentrated in 11 mountainous regions that are prone to geological disasters.

Hospital reform bid spreading

More public hospitals, particularly in large cities, will stop relying on drug sales for income, according to a notice issued on Tuesday by government departments, including the ministries of health, finance, and human resources and social security.

Their funding should come from government subsidies and medical service fees, the notice said.

Also, charity groups and commercial health insurance institutions should be encouraged to invest in China's medical industry, particularly the nonprofit part,

it said. Meanwhile, government management and supervision of privately run hospitals should be strengthened to ensure service quality.

Universities plan open-house days

A group of 41 top universities in the country are now pushing forward the idea of opening to the general public in an effort to raise technological awareness, Beijing Morning Post reports.

Peking University, which hosts a summer camp for high-school students from across the country, made the promise to open its main labs and libraries to visitors starting on the third week of September, which coincides with the national Science and Technology Promotion Week.

Chen Jining, president of Tsinghua University, delivered the joint public pledge on behalf of the 41 universities involved in the program. Chen said higher education institutions have a social responsibility to fulfill in terms of opening their libraries and science labs and promoting innovation among the public.

ZHEJIANG Fake-medicine raid nets 15 suspects

Police have arrested 15 people suspected of making and selling fake medicine in Fujian and Guangdong provinces, Legal Daily reported on Tuesday.

The customs bureau in Yiwu, in East China's Zhejiang province, intercepted a shipment of more

than 1.6 million fake Viagra pills on March 31, the report said.

Police arrested a person named Zhou on July 6 for trafficking the fake pills. On July 25, police raided the fake-medicine production site where Zhou bought the counterfeit Viagra, seized fake medicine and 31 machines worth more than 14 million yuan (\$2.2 million) and took 15 suspects into custody, according to the report.

YUNNAN Proposed fees hotly debated

A proposal to charge ecological protection fees to tourists visiting the Dianchi Lake in Kunming, capital of Yunnan province, has caused a heated debate.

Tourists may have to pay 10 yuan (\$1.57) per person per day, according to Dianchi administration officials. The fees will apply to visitors from hotels in the 3,000 sq km Dianchi Lake area.

Officials confirmed on Monday in Kunming that the plan will be submitted to the Department of Finance of Yunnan Provincial Development and Reform Commission and related departments for approval after soliciting the views of the public.

Two accused of orchestrating blast

Two men have been arrested on charges of masterminding a government office blast that killed four people in Southwest China's Yunnan province in May, police said on Tuesday, acknowledging they had wrongly accused Zhao

Dengyong, a man killed in the explosion.

The blast, which also injured 16 people, was in a housing demolition office in Baihetan township in Zhaotong on May 10, while officials signed compensation agreements with residents of Yibo village over the demolition of their homes.

Deng Deyong and Song Chaoyu, both 43 from Yibo, confessed to planning the blast because they were dissatisfied with the compensation, the Zhaotong public security bureau said in a statement.

They said that they found Zhao, 26, at a local labor market and gave him 100 yuan (\$15.90) to carry out their plan on May 10. They used a mobile phone as a remote control device and detonated the explosives Zhao carried when he entered the office, the statement said.

SHAANXI 5 dead, 2 injured in landslide

Five people, including two children, were killed and two others injured when they were buried in a landslide in Northwest China's Shaanxi province on Monday, authorities confirmed on Tuesday.

The accident happened at 2:40 am in the village of Ximaazi in Dingbian county, the county's publicity office said.

The mudslide buried a home with seven people inside, including a 52-year-old man named Wu, his wife, their 27-year-old son, 9-year-old grandson and 3-year-old granddaughter.



WILL YOU MARRY ME?

PHOTO PROVIDED TO CHINA DAILY

Yin Guanheng, with a torch in his hand and escorted by four men dressed as ceremonial guards, takes a boat to propose to his girlfriend in Bailuzhou Park in Nanjing, Jiangsu province, on Monday. Inspired by the Olympic torch relay by British soccer star David Beckham on the Thames, he prepared a special proposal, which later proved a success.